

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA**

UNITED STATES OF AMERICA	*	CRIMINAL DOCKET NO. 09-285__
v.	*	SECTION: "S"
ELIAS CASTELLANOS	*	
	*	
	*	
	*	

FACTUAL BASIS

If this case were to proceed to trial, the United States would prove beyond a reasonable doubt, through credible testimony and reliable evidence, the following facts:

Housing Authority of New Orleans is Empowered to Contract and Receive Federal Funding

The Housing Authority of New Orleans ("HANO") is a local political subdivision of the State of Louisiana (within the Eastern District of Louisiana) located in New Orleans, Louisiana. During the time period outlined in the Bill of Information, HANO received in excess of \$10,000.00 of federal funds annually.

Defendant Was Agent/Chief Financial Officer of HANO

The defendant, **Elias Castellanos ("Castellanos")**, was an agent of HANO from in or near September, 2006, continuing to in or near June, 2009, and he acted as the Chief Financial Officer ("CFO") for HANO from in or about September, 2006, to in or near January, 2009.

Defendant Committed Theft of HANO Funds

During this time period, from in or near September, 2006, continuing to in or near June, 2009, in New Orleans, Louisiana (Eastern District of Louisiana), **Castellanos**, acting as an agent and authorized representative of HANO knowingly and wilfully embezzled, stole, obtained by fraud and otherwise unlawfully converted to his own property in the approximate amount of \$900,927.00, which was owned by and under the care, custody and control of HANO. In doing so, the defendant violated Title 18, United States Code, Section 666(a)(1)(A)(i) & (ii)(Theft from a Program Receiving Federal Funds).

During this time period, **Castellanos**, while acting as an agent and CFO for HANO and while HANO remained in receivership under the United States Department of Housing and Urban Development, intentionally submitted fraudulent time sheets in his wife's maiden name. **Castellanos** submitted these fraudulent time sheets even though his wife remained in Miami, Florida while **Castellanos** worked in New Orleans, Louisiana with HANO. **Castellanos** billed and received compensation from HANO for work his wife did not perform. During this time period, **Castellanos's** fraudulent submissions concerning his wife totaled \$655,710.00.

In addition to over-billing hours under his wife's maiden name, **Castellanos** also billed false hours to HANO in various means totaling \$245,217.00.

On June 1, 2009, June 3, 2009, and June 4, 2009, special agents from the Federal Bureau of Investigation ("FBI") and Housing and Urban Development, Office of Inspector General's Office ("HUD-OIG") questioned **Castellanos** regarding this theft. In turn, **Castellanos** admitted his guilt and took full responsibility the over-billing scheme. In addition, **Castellanos** provided a handwritten confession to federal agents where he again admitted his guilt as described above.

To date, **Castellanos** has paid restitution from the theft (through monies repaid to HANO or withheld by HANO from invoices by the defendant) in the amount of \$675,037.07. Accordingly, **Castellanos** owes \$225,889.93 in restitution to HANO/HUD.

In summary, all of the evidence introduced at trial would establish the elements of the offense and prove the defendant's guilt beyond a reasonable doubt.

READ AND APPROVED:

ELIAS CASTELLANOS (Date)
Defendant

ALAN BAUM (Date)
Counsel for Defendant

MATTHEW COMAN (Date)
Assistant U.S. Attorney
Chief, General Crimes/Fraud Unit